GeoNovus Minerals Corp.

Management Discussion and Analysis
For The Three and Nine Months Ended May 31, 2014

July 29, 2014

The following discussion and analysis should be read in conjunction with the unaudited condensed consolidated interim financial statements for the three and nine months ended May 31, 2014 and 2013 and the audited consolidated financial statements for the years ended August 31, 2013 and 2012. All monetary amounts, unless otherwise indicated, are expressed in Canadian dollars. Additional regulatory filings for GeoNovus Minerals Corp. ("GeoNovus" or the "Company") can be found on the SEDAR website at www.sedar.com. The Company's website can be found at www.geonovusminerals.com.

Forward-Looking Statements

Certain statements contained in this document constitute "forward-looking statements". When used in this document, the words "may", "would", "could", "will", "intend", "plan", "propose", "anticipate", "believe", "forecast", "estimate", "expect" and similar expressions, as they relate to the Company or its management, are intended to identify forward-looking statements. Such statements reflect the Company's current views with respect to future events and are subject to certain risks, uncertainties and assumptions. Many factors could cause the Company's actual results, performance or achievements to be materially different from any future results, performance or achievements that may be expressed or implied by such forward-looking statements. Given these risks and uncertainties, readers are cautioned not to place undue reliance on such forward-looking statements. The Company does not intend, and does not assume any obligation, to update any such factors or to publicly announce the result of any revisions to any of the forward-looking statements contained herein to reflect future results, events or developments.

Overview

GeoNovus was incorporated on October 11, 2011 under the laws of the Business Corporation Act (BC) as a wholly owned subsidiary of Geo Minerals Ltd. ("Geo").

The Company is primarily engaged in evaluating, acquiring, exploring and, if warranted, developing mineral properties in North America.

The Company currently has no producing properties, and consequently no operating income or cash flow. The Company is dependent on the equities markets to finance all of its activities and it is anticipated that it will continue to rely on this source of funding for its exploration expenditures and to meet its ongoing working capital requirements.

Overall Performance

For the nine months ended May 31, 2014, the Company had a net loss of $770,500 compared with a net loss of $1,199,644 for the prior year. While the Company did incur increases in consulting fees, shareholder communication and promotion, transfer agent and filing fees and interest expense, all other expense categories decreased.

In October 2013, the Company entered into an option agreement to acquire the Corona Project mining claims which include the historic Shakespeare Gold Mine, located northeast of Webbwood, Ontario. The Corona Project consists of 95 contiguous claims. The Company has received drill permits for an upcoming work program on the mining claims.

Given the disappointing results of the 2013 drill and ground geophysical programs on the Red Hills project, the Company determined that it would not conduct any additional exploration. All capitalized costs of the project have been written off accordingly.

A surface reconnaissance and sampling program commenced on the Mink Lake project in the summer of 2013. The program focused on the central region of the property, where historic gold showings and limited drilling had previously been reported. The 2013 work program was managed by a technical advisor to the Company however, assistance was provided by geologists from Argonaut Gold's nearby Magino gold project. In exchange for a formal report and analytical costs, Argonaut Gold has been granted a right of first refusal for participation in the Mink Lake project.

As part of the Mink Lake work program, a total of 66 rock grab and float samples were collected from five areas of interest that were identified on the basis of favourable outcrops and/or historic showings. The samples were submitted to Actlabs, Ancaster, Ontario for sample preparation and gold assays. All five areas reported assays exceeding 0.4 g/t Au, and nine samples exceeded 1.0 g/t Au. The highest assay reported was 11.9 g/t Au. The Company is planning an active work program with ground geophysics along the projected mineralized zone, as well as drilling at the historic Mink Lake drill site where mineralization remains open in all directions.

To date in fiscal 2014, the Company has completed four non-brokered private placements consisting of a non-flow-through financing for gross proceeds of $257,500 in September 2013, a flow-through financing for gross proceeds of $210,000 in December 2013, a non-flow through financing for $100,000 in February 2014 and a non-flow-through financing of gross proceeds of $78,725 in March 2014.

The Company also announced in July 2014 that it has arranged a non-brokered financing of up to 11,000,000 units at a price of $0.05 for gross proceeds of $550,000. The proceeds from the private placement will be used for general working capital and potential acquisitions.

Medical Marijuana, Industrial Hemp and Cannabinoid Science Industries

On May 21, 2014, the Company announced that it has entered into a non-disclosure agreement with a private BC company which has applied with Health Canada to become an MMRP licensed producer of medical marijuana.

Under the agreement, the Company will begin its due diligence process in furtherance of a potential business relationship with the private company, which will include a site visit to its active medical marijuana production facility, currently producing under its MMAP licence. At this time, management anticipates that the due diligence process will complete on or before June 15th, 2014.

This development is in line with the Company's previous announcement on May 13, 2014, that the Company has decided to analyze the medical marijuana and industrial hemp industries for opportunities to create shareholder value.

At this point in time, there are no assurances or guarantees that a new project with the private company, or otherwise, will be concluded in the future. The Company will provide further updates as they develop.

On June 26, 2014, the Company announced that it has signed a letter agreement with a Uruguay "SA" company actively working in multiple areas of the medical marijuana, industrial hemp and cannabinoid science industries. Pursuant to the letter agreement, the Uruguay "SA" company, an arm's length party, will give GeoNovus exclusive rights to acquire and or participate in its multiple active marijuana and hemp based business ventures in Uruguay. Uruguay recently became the first country in the world to legalize the sale, cultivation, distribution and consumption of cannabis (marijuana). GeoNovus is currently evaluating multiple business opportunities in Uruguay including:

- Medical marijuana growing facilities in Uruguay

- Cannabinoid sciences and product development (CBD/THC)
- New cannabis medicine trials
- Industrial hemp

GeoNovus president Mike England states, “this letter agreement gives GeoNovus potential to hand pick the best marijuana, hemp and cannabinoid opportunities in Uruguay. We are conducting extensive due diligence in conjunction with our Uruguay SA partner to determine the highest priority target businesses. Not only has our Uruguay SA partner engaged government officials and Uruguay universities but Uruguay as a country offers one of if not the best operating environments in the world for marijuana and hemp cultivation, distribution and research.”

The completion of transactions between GeoNovus and the Uruguay SA company is dependent on the satisfaction of a number of conditions, including GeoNovus' satisfactory due diligence of the Uruguay SA company, its business and operations; the negotiation and completion of a formal agreement; and obtaining any and all necessary prior approvals from third parties. As such, at this time there can be no assurance or guarantee that GeoNovus and the Uruguay SA company will complete any such transactions, though GeoNovus has been granted exclusive rights from the Uruguay SA company to do so pursuant to the letter agreement.

URUGUAY LEGALIZES CANNABIS

On December 10 2013, Uruguay became the first country in the world to legalize the sale, cultivation, distribution and consumption of cannabis (marijuana). Uruguay's legalization of cannabis reflects a growing worldwide urge to find new and less violent solutions to drug trafficking.

Under the new law, people are allowed to buy up to 40 grams (1.4 oz) of cannabis from the Uruguayan government each month. Users have to be 18 or older and be registered in a national database to track their consumption.With the help of technology, authorities track every gram of marijuana sold. Bags will be bar-coded. The genetic information of plants that are legally produced will be kept on file. This will allow police to determine whether illegal marijuana is being commercialized. Uruguayan government officials have reported that, despite the development of the domestic Uruguay market as a priority, several representatives from countries like Israel, Canada and Chile contacted them to inquire on importing prospects.“It was not the law’s intention to regulate international trade of marihuana, but Uruguay is open and enthusiastic at the possibility,” said Diego Cánepa, a government spokesperson, to Uruguayan newspaper *La Red 21*.For international labs testing the potential use of marijuana, Uruguay could be the answer for raw material – particularly now that the Netherlands, traditional provider of the plant, cannot meet the international demand.

Several companies have even expressed interest to open an investigation plant in Uruguay. “It would be a challenge, if labs were to open installations in Uruguay,” said Cánepa. “It goes beyond what the law previewed, but it would turn Uruguay into a biotechnology center. That is a huge step forward.”

Uruguay is not alone in the opening up of laws to the legit consumption of the substance. In the United States consumption of marijuana is now legal in Colorado and Washington, with sales permitted in authorized stores. The state of New York announced recently that it was "set to loosen marijuana laws," aiming at allowing small, controlled doses of the drug for medical reasons.

The ArcView Group, an investing and market research firm based in San Francisco, estimates the US national legal market (including recreational and medical marijuana) at $1.53-billion in 2013 and expects it to grow to $2.57-billion by the end of 2014, with marijuana sales in Washington and Colorado pulling in $316-million and $802-million, respectively. ArcView says the national market could reach $10.2-billion in five years. (www.arcviewmarketresearch.com)

Recent changes in Canadian medical marijuana licensing could allow for licensed producers to grow on a larger, commercial scale with the introduction of the new MMPR licenses. The industrial hemp industry is also currently undergoing significant reform with more and more agricultural land zoned for growing industrial hemp year over year. This emerging global industry is in the process of significant regulatory and legal reform that offers participants an explosive growth opportunity.

Operating Activities

Canadian Malartic West, Quebec

On April 8, 2014, the Company announced that it has acquired 13 claims, covering 507 hectares, of prospective property adjoining the north-west boundary of Osisko's **(TSX: OSK)** "Canadian Malartic" property located in the prolific Abitibi Gold Belt in the province of Quebec.

To purchase a 100% interest in the Malartic West project GeoNovus will pay $20,000 and issue 2,000,000 common shares of the corporation to Knick Exploration Inc. over a two year period. A two per cent (2%) NSR is in place with the Company having the right to buy back one per cent (1%) of the Royalty for one million dollars ($1,000,000).

On May 14, 2014 the Company announced it has determined not to proceed with the acquisition of the Malartic property announced April 8, 2014.

Scotia Property, British Columbia

Pursuant to an assignment agreement dated June 9, 2005 between the Company and Ialta Industries Ltd. ("Ialta"), The Company acquired Ialta's interest in an existing option agreement dated April 12, 2005 between Ialta and Doublestar Resources Ltd. ("Doublestar"). Under the Doublestar Option Agreement, the Company acquired an exclusive option to acquire a 50% working interest in and to two mining claims covering an area of 2,939.33 hectares located in the Scotia River area approximately 42km south of Prince Rupert, British Columbia, in the Skeena Mining Division of British Columbia.

On May 15, 2007, the Company entered into a purchase agreement which was amended on August 14, 2007, with Doublestar to acquire a 100% interest, subject to a 2.0% NSR, in the Scotia Property, including the two mining claims which were the subject of the Doublestar Option Agreement. The Option Agreement was superseded by the Purchase Agreement.

The financial terms of both the option and purchase agreement are disclosed in the notes to the consolidated financial statements for the year ended August 31, 2013.

The Scotia Property is a zinc/lead/silver prospect, consisting of seven mining claims lying approximately 29 km from tidewater, covering 12,310 acres located in the Scotia River area. Infrastructure in the area is good, with all of the main valleys in the area accessible by logging roads.

The Albere Zone at the Scotia Deposit was discovered by Texas Gulf Sulphur in 1958 during a regional reconnaissance program. Bishop Resources Inc. ("Bishop") entered into an option agreement in 1996 with Falconbridge to acquire 100% interest in the Scotia Property subject to certain terms and conditions. In 1997, a drill program was conducted by Arnex Resources Ltd ("Arnex") for Bishop at the Albere Zone.

Disseminated, semi-massive and massive base metal sulphide intersections were encountered in nine of the ten holes drilled. The most substantial intersection was in drill hole S-37-97 which encountered 26.7 meters grading 9.0% Zinc, 1.2% Lead, 21.5 g/t Silver, 0.3 g/t Gold and 0.2% Copper. Mineralized intersections greater than 15 meters in length were also intersected in two additional holes. The overall decline in the mining market in the late 1990's lead to the cessation of all exploration activities on the project by Bishop, and the project had lain dormant until the Company resumed work in 2005.

During 2005 and 2006, Arnex conducted exploration programs on the Scotia Property on behalf of the Company. The objectives of the 2005 field exploration program were to: resample selected drill core intervals from stored drill core to verify past analytical and assay results from the 1997 drill program; and prospect and sample a gossanous area outcropping in cliff faces east of the Albere Zone. In 2006, a grid soil geochemical program was completed. In November 2006, John Berry Associates conducted a remote sensing interpretation study on the property. A number of maps were produced using ASTER imagery, and were used to interpret lithology, structure, alteration and to identify exploration targets.

A NI 43-101 compliant technical report for the Scotia Property, dated November 2, 2007 was prepared by Arne O. Birkeland, P. Eng., of Arnex Resources Ltd. Mr. Birkeland is an independent engineering consultant, and the qualified person for the purposes of NI 43-101.

During the 2005 field season, Arnex selected mineralized core intervals from six of the 1997 drill program holes for sampling. The samples were analyzed by Acme Labs Ltd. Geochemical analysis of the samples using a multi-element ICPES technique was completed. Many of the samples returned over-limit values of >10,000 ppm for zinc and lead. During April 2008, pulps from the over-limit samples were assayed by Acme utilizing Aqua-Regia digestion and Group 7AR ICP-ES finish. The assay results of the 2008 resampling include 21.65 metres of 10.16% Zinc, 1.14% Lead and 17.7 g/t Silver at a depth of approximately 21 metres. There is general agreement between the 1997 high-grade intercepts and the 2008 data.

A helicopter-borne multi-parameter geophysical survey was conducted by Aeroquest Limited during August 2008. A total of 562.5 line-kilometres were flown using Aeroquest's AeroTEM II time domain EM and cesium magnetometer and gamma ray Spectrometer system. The airborne geophysical survey identified a distinctive anomaly associated with the drilled portion of the Albere Zone. The airborne survey established similar additional anomalies on strike, and adjacent to, the Albere Zone and elsewhere regionally on the property.

The sulphide mineralization on the Scotia property is syngenetic and focused on the limbs of a property wide antiform, of which only one limb has been previously explored. A summer field program was carried out in 2009 to conduct sampling on the underexplored "East Limb" zone of the antiform and to sample areas of interest identified through geophysical surveys conducted in 2008. Twelve rock-chip samples were collected in a mineralized area of approximately 100 meters by 30 meters wide and identified in outcrop by the presence of Fe-oxides replacing sulfides. Twenty-five soil samples were also collected along lines roughly perpendicular to the mineralized stratigraphy, at 25 meter spacings except in locations where sampling was compromised by surface conditions.

In January 2010, the Company announced that it had received a National Instrument NI 43-101 Technical Report for its Scotia Property. Resource modeling conducted in 2009 focused on previous drill results from the Albere Zone. The Resource model established a vertical range of sub-economic to economic grades of mineralization of 95 meters, and a horizontal range of 205 meters. The high grade "core" area widened to about 30 meters about 190 meters north of the outcropping main showing. The thickest drill intercept in the Albere Zone recorded 26.7 meters grading 9.0% zinc, 1.2% lead, 21.5 g/t silver and 0.3 g/t gold.

A Resource Estimate was calculated for the Albere Zone by Giroux Consultants Ltd., based on forty-two drill holes totaling 4,343 meters. The results from a 1997 drilling program comprised most of the data used in the modeling, with much of the core re-assayed in 2008 to confirm earlier results. Ordinary kriging was used to interpolate blocks based on mineralization content. Based on a 1% Zn cut-off, the Measured plus Indicated Resource within the 3-D mineralized shell totals 802,000 tonnes grading 4.9% Zn, 13.9 g/t Ag, and 0.2 g/t Au with an additional 702,000 tonnes grading 4.5% Zn, 13.7 g/t Ag and 0.2 g/t Au classed as Inferred. No economic parameters were defined by the Resource Estimate as to an appropriate cut-off for various types of mining. Arne Birkeland, P.Eng. and Gary Giroux, P.Eng. are co-authors of the NI 43-101 Technical Report and are responsible for its contents. The resource modeling was conducted under the direction of Giroux Consultants.

In July 2010, the Company entered into an option agreement with Hawkeye Gold & Diamond Inc. ("Hawkeye") whereby Hawkeye could earn up to 60% interest in the Scotia Property. Hawkeye could earn a 51% interest by paying $210,000, issuing 1,000,000 shares over a three year period and by incurring $1,200,000 in work program expenditures over a four year period. Hawkeye could earn an additional 9% for a total of 60% by incurring $500,000 per year in property expenditures until a positive bankable feasibility study was completed and by issuing 500,000 shares of Hawkeye within 15 days upon completion and delivery of the bankable feasibility study to the Company. In September 2010, the Company received $25,000 cash and 200,000 common shares of Hawkeye valued at $37,000 pursuant to the option agreement.

In September 2010, Hawkeye commenced its 2010 work program at the Scotia property. The 2010 field exploration program consisted of a geochemical survey targeted on selected airborne anomalies similar to the anomaly generated by the Albere zone. A total of 64 rock chip, 136 moss mat – active stream sediment and 67 soil samples were taken. Samples were flown by helicopter to Prince Rupert and transported by truck and delivered to Acme labs processing facility on Powell Street, Vancouver for analysis.

In July 2011, Hawkeye reported that virtually all airborne anomalies sampled returned geochemically anomalous or elevated values for the various sample types taken and values of over 1,000 ppm Zn were encountered from “in place” rock chip sampling in the general vicinity of the Albere Zone. Hawkeye stated that additional prospecting and follow-up geochemical sampling was warranted to attempt to discover clustered VMS occurrences similar to the Albere Zone that may be present on the property.
As at August 31, 2011, Hawkeye was in default of the terms of the option agreement. Hawkeye was not able to rectify the default within the required timeframe and as a result, the Hawkeye option agreement was terminated.

In fiscal 2012, the Company engaged Palmer Environmental Group Inc. to conduct a surficial terrain assessment and mapping of the Scotia property for the purpose of optimizing the soil and stream sediment sampling programs and thereby increasing the efficiency and effectiveness of any future exploration program. The work was completed and presented to the Company in October 2012. Given the Company's current cash position, work on the Scotia property will be limited until additional funds become available.

The Company has allowed certain peripheral claims, which were originally acquired as potential infrastructure areas, to lapse.

Paul D. Gray, P.Geo., is the qualified person for this project as defined by NI 43-101.

Red Hills Property, Arizona

On August 4, 2008, the Company entered into an agreement with Bronco Creek Exploration ("BCE"), to acquire all of BCE’s interests in a porphyry copper project located in Arizona named the Red Hills Property.

The Red Hills porphyry copper target is located southeast of Florence in Pinal County, Arizona. The land position at Red Hills consists of 1,200 acres of state mineral leases and 185 unpatented federal mining claims. The target lies within a broad belt of porphyry-copper mineralization that stretches from Globe-Miami (Phelps Dodge - BHP-Billiton) westward through the deposits at Ray (Asarco), Florence-Poston Butte (permitted by BHP-Billiton in the 1990's), and beyond. BCE believes that a large rotated and dismembered porphyry Cu-Au deposit lies beneath shallow gravel cover in the Red Hills area.

Numerous drill ready targets were ready on the property and the Company began a drill program in late summer 2008. Drilling at the Red Hills project targeted a suspected buried porphyry copper deposit west of a large Laramide dike swarm and related copper sulfide mineralization associated with a broad zone of quartz-sericite-pyrite alteration. On a neighboring property controlled by Phelps Dodge, outcropping copper mineralization constitutes a large, non-NI 43-101 compliant low grade resource (500Mt @ 0.1% Cu) and is interpreted to represent the upper, distal portions of a large, rotated and dismembered porphyry copper system. Recent field mapping and re-evaluation of existing geologic data suggest that the hydrothermal system has been rotated approximately 90 degrees. GeoNovus is targeting more prospective portions of the hydrothermal system and higher-grade porphyry-style mineralization that is suspected to lie under gravel cover to the west of current bedrock exposures. A 64 m zone of exotic copper mineralization developed within the gravel deposits was intersected in RH-2 at a depth of 561 m.

The zone of exotic copper mineralization and lithologies intersected in the drill hole are interpreted to signify proximity to the buried porphyry copper system. Hole RH-2 did not reach bedrock and was still in exotic copper bearing gravel when the hole was terminated. A total of nine sites were permitted across the target area for a follow up drill test.

In November 2009, the Company entered into an option agreement with First Quantum Minerals Ltd. ("First Quantum"), formerly Inmet, to explore the Red Hills project. First Quantum was given the option to earn a 70% interest in the property. Consideration for the option agreement includes cash payments and exploration expenditures over a four year period.

On May 11, 2010, the Company announced that it completed a geophysical survey on the Red Hills property. Induced polarization (IP) surveys were completed using the Quantec Titan 24 imaging technology, which is designed to provide resolution of targets at depths of 700 meters. A total of 36.7 line kilometers were completed. Three anomalies were identified. Based on the results of the geophysical surveys and additional geological mapping, 31 additional claims were staked, increasing the property to 625 acres. The geophysical survey was funded by First Quantum.

A drill program on the Red Hills property, funded by First Quantum, commenced in late January 2011. In mid-February 2011, the initial drill test of one IP geophysical anomaly on the property was completed. A single vertical RC hole drilled to test this anomaly encountered variably altered and mineralized rocks before termination of the hole at 610 meters. Bedrock was intersected at 10 meters consisting of coarse-grained granite with local porphyry dikes and some granitic rocks with textures consistent with Laramide age granites associated with porphyry copper deposits in the region. In the upper part of the drill hole, these rocks were generally weakly altered with local chlorite + sericite altered zones with primary iron-oxide + quartz ± oxidized chalcopyrite + pyrite veins. The iron-oxide alteration increased at depth, particularly below ~550 meters where alteration characterized by quartz + sericite + pyrite was also encountered, with locally pervasive intervals containing as much as 5% disseminated pyrite below about 580 meters.

These alteration assemblages continued to the end of the hole at 610 meters. The styles of alteration and locally abundant pyrite mineralization is suggestive that a structural block containing peripheral, shallow styles of porphyry mineralization was encountered at depth, providing additional evidence that one or more porphyry centers have been dismembered across the property.

Representative samples of the lithologies were assayed. In discussions with First Quantum and BCE, it was agreed that while the assays at Red Hills were not significantly high in copper, the nature of the alteration observed within the drill chips suggested that the margins of a mineralized porphyry system could have been intersected. Accordingly, the Company determined that additional IP geophysics should be undertaken to better resolve the location of the potential porphyry system as a future drilling target.

Zonge International Inc. was engaged to conduct IP surveys over the property with emphasis on the area where previous drill testing encountered variably altered and mineralized rocks. A total of 24.3 line kilometers were completed in late 2011, with an effective depth of investigation for the survey of approximately 750 to 1000 meters.

The IP geophysical survey indicated that alteration and mineralization observed was likely structurally-controlled and peripheral to the main part of the porphyry system, indicating the main part of the system lay to the west toward RH-2 a drill hole on the western part of the property that was initially conducted in 2008. At that time, the RC drill hole RH-2 intersected what are believed to be Tertiary sedimentary rocks near the bottom of the hole containing clasts with intense porphyry-related alteration and local copper mineralization. Drill hole RH-2 was terminated at 622 m due to excess water.

In June 2012, a drill program at Red Hills commenced. The objective of the drill program was to test for the presence of a fault-displaced portion of the Red Hills porphyry system under sedimentary cover in the western part of the property position. The drill program re-entered RH-2 and continued the drill hole with core to intersect underlying bedrock and target rocks.

Drill hole RH-2 confirmed the presence of a fault-displaced portion of a porphyry system under sedimentary cover with an average of 0.18% Cu intercepted over 104.2 meters, including two separate intercepts of 0.39% Cu over 9.75 meters and 0.42% Cu over 11.8 meters, respectively. The drill and assay data from RH-2 suggested that additional areas on the western portion of the property would be a priority for further drilling to further delineate this zone of mineralization.

The Company applied for additional drill permits. Major Drilling Inc., Salt Lake, Utah, was engaged for follow up drilling with a combined rotary/core program anticipated to a total of approximately 1,800 meters. Drilling began at the end of February 2013. In October 2013, a ground geophysical program was commenced. SJ Geophysics was engaged to conduct magnetic and induced polarization (IP) surveys along two lines, each roughly 6,000 m in length and oriented roughly east-west and northwest-southeast over an area of interest on the western portion of the project area.

Results of the drilling and ground geophysical program were disappointing. The Company has determined that it will not conduct any further exploration on the Red Hills property therefore, the capitalized costs were written off accordingly.

Silver Bell West, Arizona

On August 26, 2009 the Company signed a Letter of Intent to enter into a lease-option agreement with BCE to earn a 100% in the Silver Bell West porphyry copper project located in south-central Arizona. The property located approximately 30 miles northwest of Tucson, consists of 188 mining claims on more than 3,700 acres adjacent to Asarco’s active Silver Bell Mine. The Company assumed 100% control of the mineral rights upon execution and maintenance of the terms of the Letter of Intent. The details of the consideration for the acquisition are outlined in the notes to the annual consolidated financial statements.

At the Silver Bell West property, the Company is targeting porphyry copper and copper skarn mineralization in structurally down dropped blocks lying adjacent to exposed mineralization currently being exploited by Asarco.

The Silver Bell District has produced more than 176 Mt at an average grade of 0.63% copper from skarn, secondary enrichment blankets, and oxide copper deposits associated with a Laramide porphyry copper system, and had 1990 reserves reported in Long, 1995 of 185 Mt at 0.61% copper. Field work conducted by BCE geologists in 2007 revealed several lines of evidence pointing to multiple target areas within two, largely untested zones of possible skarn and porphyry-style copper mineralization. Zone 1 lies in the southeast portion of the property, where copper-rich skarn mineralization hosted in Paleozoic carbonate-rich units and related porphyry-style mineralization are projected to underlie outcropping mineralized rocks composed of quartz-chalcopyrite vein swarms in Laramide igneous rocks and gold-bearing chalcopyrite-chlorite-specularite+/- quartz veins in Mesozoic sedimentary rocks in the adjacent contact aureole. Zone 2 comprises the western portion of the property, where new alteration mapping combined with the faulted and offset portions of structural blocks interpreted to contain the known trends of porphyry copper and skarn mineralization project beneath cover rocks to the west of outcropping mineralization.

Mobilization and drilling on the Silver Bell property began in May 2010. Altar Drilling from Tucson, Arizona was contracted to perform the drill program with ten drill holes permitted at locations optimized by field mapping and soil geochemistry. Drilling at two of the ten drill sites was completed for a combined total of 219 meters. Hole SB-1 was collared in gravel cover, and drilled at 60 degrees inclination to the north with a total length of 169 meters. Quartz monzonite was intersected at 76 meters, with quartz-chalcopyrite-pyrite veinlets and chlorite alteration noted at 115-118, and at 122 meters, and molybdenite also present at 134, 146, and 164 meters. Hole SB-2 was collared in quartz monzonite, and is a 45 degree inclined hole drilled at an eastern azimuth roughly one kilometer north-northwest of SB-1 over a total length of 112 meters. Quartz-chalcopyrite veining with chlorite alteration was noted throughout drill hole SB-2, with intervals of greatest intensity at 21-52 meters and 73-86 meters. Split samples of selected core intervals were sent to ALS-Chemex for assay.

The mineralization and alteration observed in drill holes SB-1 and SB-2 are consistent with the possibility that base and precious metals-bearing skarns may exist at depth where the quartz monzonite would be in contact with reactive sedimentary rock.

Assays of the core of the first two drill sites indicated that elevated base metal values are present in some intervals but low overall values indicate that this target is not worth further pursuit. The primary target of base and precious metals mineralization had not been drilled.

As at August 31, 2010, the Company was in default on the terms of the Silver Bell West option agreement but had been in negotiations with BCE for new terms. In June 2011, the Company successfully amended the terms of the Letter of Intent with Eurasian Minerals Inc. ("EMX") through its wholly owned subsidiary, BCE, for the Silver Bell West Property.

The terms of the Silver Bell West Agreement were amended such that the monies due and payable to BCE on the 1st anniversary of the initial Agreement for advanced royalty payments of $50,000 and monies due under the property maintenance clause of the Agreement and reimbursement of completed work programs totaling $86,183.87 could be paid by the issuance of 1,231,198 common shares in the capital of the Company. The Company chose to pay its outstanding balance in cash.

The Silver Bell West Property agreement was amended on November 16, 2011 and again on December 15, 2011. As a result of the amendments, the work commitment of $150,000 by June 15, 2012 was eliminated and all of the commitments for royalty payment, share issuances and work obligations that were to be made on June 15, 2013 were deferred to December 15, 2013.

In July 2012, the Company approved a mapping exercise to delineate alteration and mineralization on claims immediately adjacent to the Silver Bell Mine, and covering portions of the open pit mine haul road. The work was conducted by Bronco Creek Exploration on behalf of the Company. The mapping revealed a general east-northeast trend of zonation with secondary micaceous minerals after primary mafic igneous minerals in granite host rocks. Primary sulfides and/or Cu-oxides after sulfides follow the same east-northeast distribution. Chalcopyrite + molybdenite are present in some quartz veins as well as in drill chips recovered from historic drill sites near the mine haul road from drilling conducted just prior to acquisition of the property. Collectively, the data suggests that a down-plunge portion of the moderately-tilted Silver Bell deposit projects beneath the GeoNovus claims.

Based on the mapping, two drill sites were selected just south of the haul road, with at least one vertical and one angle hole (at a northeast azimuth) to be drilled from each site. Permitting was approved, and drilling began in January 2013. The drill site locations relative to the Silver Bell Mine can be seen on the Company website.

Two core holes were drilled for a total of 696.47 meters. The first drill hole encountered hydrothermally altered granite and chalcopyrite-molybdenite-pyrite mineralization continuously to its present depth of 309 meters (1014 ft.), including an average of 2.1% by volume total sulphide starting at 122 meters (400 ft.) and extending over 100 meters (330 ft.), based on visual estimates. The second hole was drilled vertically from the same site and encountered similar alteration but less intense mineralization with 1.2% by volume total sulphides from surface to 54.86 meters depth also by visual estimates. Drilling intersected 39.63 meters (130 ft.) of 0.18% Cu in an angle hole located adjacent to the open pit presently being operated by Asarco.

The Company is currently in default on the financial terms of the Silver Bell agreement and is currently in the process of renegotiating the terms.

Paul D. Gray, P.Geo., is the qualified person for this project as defined by NI 43-101.

As of May 31, 2014, the Company has incurred $203,249 in acquisition costs and $523,491 in deferred exploration expenditures. No costs of the deferred exploration costs were incurred in the three months ended May 31, 2014.

Mink Lake, Ontario

In May 2013, the Company acquired the Mink Lake property consisting of two claim units (23 hectares) located in Chabanel Township, Sault Ste. Marie, Ontario located approximately five kilometers northeast of the town of Wawa. In June 2013, the Company announced that it entered into an option agreement to acquire an additional 7 unpatented mining claims consisting of 43 units (688 hectares) contiguous to the Mink Lake claims acquired in May 2013. The financial terms of both the purchase and option agreements are disclosed in the notes to the annual consolidated financial statements.

The Mink Lake claims are situated within the Michipocoten Greenstone Belt, in a broad corridor of variably structurally deformed rocks that host a high frequency of gold occurrences as well as past producers. The area was originally worked in the 1930's where a gold horizon was discovered within an arsenopyrite-pyrite iron formation.

In 1986 Noranda Exploration ("Noranda") carried out a 14 diamond drill hole program which confirmed the earlier results and recommended additional work to test the zone along strike and at depth. Due to the state of the industry at the time, this work was never carried out and the zone remains open in all directions (*D.Parker, 1987. Project No. 1136, Hemlo, Ontario*).

More recently, several gold showings were noted on the property. A 1.32 g/t Au anomaly occurs one kilometer north of the Noranda drilling. A second showing with 0.29 ppm g/t Au occurs 1.5 km west of the drilling. A third showing 2.5 km southwest of the drilling returned 3.29 g/t Au, as well as 161 g/t Ag and 25% Zn. As the exploration at the time was focused on diamonds, these showings were never followed up (*M. Lennox-King, 2000, Exploration report Wawa diamond project, Chabanel and Lendrum Townships, Sault Ste. Marie Mining Division, Ontario, Rept .#2.20579, 31p.*).

A work program at Mink Lake consisting of mapping and sampling commenced in the summer of 2013. The surface reconnaissance and sampling program focused on the central region of the property, where historic gold showings and limited drilling had previously been reported. On the southeast shore of Mink Lake, a shallow drill campaign in 1936 reported four holes with the following intersections: 3.12 g/t over 8.5 m, 29.6 g/t over 2.2 m, 3.43 g/t over 4.6 m and 5.61 g/t over 1.5 m. A diamond drill hole program in the late 1980's that tested a contact between a felsic intrusive and sheared metamorphic rocks intersected 2.9 g/t over 8.0 m, 2.3 g/t over 8.5 m including 3.7 g/t over 3.0 m and 1.7 g/t over 5.l m. The best intercept of 6.5 g/t over 3.0 m was obtained from the deepest hole of that program, and the mineralization remains open (*Hutteri, 2006. Sampling Report on the Mink Lake Gold Property, Chabanel Township, Sault Ste. Marie Mining Division, Ontario, Rept.#2.32598, 14p.*). True thicknesses for historic drilling cannot be determined from the available data. Additional historic data at the Boliden showing located 1.7 km southwest along strike with the lithologic contacts reported 11.64 g/t Au, and a 64.5 g/t Au showing was reported one kilometer northwest of the historic drilling (*Ontario Geological Survey, 1991, MDI File MDI42C02SW00005; MDI42C02SW00006*).

The 2013 work program was managed by Mr. Don McKinnon, Technical Advisor to GeoNovus, with assistance provided by geologists from Argonaut's nearby Magino gold project. In exchange for a formal report and analytical costs, Argonaut Gold has been granted a right of first refusal for participation in the Mink Lake project.

A total of 66 rock grab and float samples were collected from five areas of interest ("AOI") that were identified on the basis of favourable outcrops and/or historic showings. All five areas reported assays exceeding 0.4 g/t Au, and nine samples exceeded 1.0 g/t Au. At the Mink Lake AOI, ten samples were collected from historic trenching as well as surface outcrops and returned the highest assay of 11.9 g/t Au. The Boliden AOI is 1.7 kilometers southwest of Mink Lake, with the second highest assay of 9.18 g/t Au of eleven samples total. In addition to having the highest assays, the Mink Lake and Boliden AOI's are in tuffs and related felsic lithologies and are along strike with the roughly southwest-trending lithostratigraphy. These results suggest that a potentially continuous zone of mineralization may extend southwest from Mink to Boliden, and will be further explored with ground geophysics in the coming months.

Roughly 400 meters north of Mink Lake, the North AOI includes 23 samples collected over an east-west transect of roughly one kilometre, with three samples exceeding 1 g/t Au. The South AOI is 800 m south of Mink Lake with 2.82 g/t Au as the best of eight samples. The West AOI is 1.5 kilometers west of Mink Lake and reported a high of 0.09 g/t Au from fourteen samples. Further sampling will be conducted to better delineate zones of mineralization in these areas.

Highlights of the 2013 sampling program and maps showing sample locations are available on the Company's website.

The samples were submitted to Actlabs, Ancaster, Ontario for sample preparation and gold assays were obtained on 50-gram aliquots using protocols Code 1A2-50-Sudbury Au–Fire Assay AA, 1A3-50-Sudbury Au–Fire Assay Gravimetric, and 1A3-Sudbury Au–Fire Assay Gravimetric. For samples exceeding 3 g/t Au, either Code 1A3-Sudbury Au–Fire Assay Gravimetric or Code 1A4 (100 mesh)-Sudbury Au–Fire Assay-Metallic Screen-500g was used. For the latter protocol, a representative 500 gram split is sieved at 100 mesh (149 micron) with assays performed on the entire +100 mesh and two splits of the -100 mesh fraction. A final assay is calculated based on the weight of each fraction. Other elements were obtained through Code UT-6 Total Digestion ICP & ICP/MS. Standards and blanks were also inserted into the sample stream, with analytical uncertainties within an acceptable range for early-stage reconnaissance samples.

The Company is currently in default on the financial terms of the Mink Lake agreement and is currently in the process of renegotiating the terms.

Dr. Tom E. McCandless, P. Geo., is the qualified person for this project as defined by NI 43-101.

Shakespeare, Ontario, Canada

In October 2013, the Company entered into an option agreement to acquire the Corona Project claims which consists of 95 contiguous mining claims covering roughly 1,520 hectares, located in the Baldwin and Shakespeare Townships, Sudbury Mining Division, Ontario. The Corona Project claims include the historic Shakespeare Gold Mine, located three kilometers northeast of Webbwood, Ontario. The Shakespeare Gold Mine has operated intermittently since 1905 and produced 2,062 ounces of gold from 8,590 tons of material between 1905 and 1907.

The historic mine is situated in northeast-trending folded ~2.4 billion-year old Huronian Supergroup, intruded by the ~2.21 billion-year old Nipising diabase dikes and sills, and the ~1.1 billion-year old northwest-trending Keweenawan diabase dikes. The Murray Fault is a regional structure that strikes ENE and passes 300 meters north of the mine. The mineralized zone is broadly concordant with the schistose Matinenda Formation, consisting of quartzite and greywacke that also trends ENE and dips steeply to the south. Historic sampling in the mine area reported 1.12-1.85 ounces per ton over an average width of one meter (*see Ontario Geological Survey Mineral Deposits Circular 18, 1979, part 2, 294p.*). The Corona Project claim package was assembled to enclose the ENE-trending Matinenda Formation that hosts mineralization, including the down-dip projection of the ore zone at the Shakespeare Mine. A collection of in-house reports and data included in the acquisition are presently undergoing review, and will be used to guide exploration in the immediate future.

In February 2014, the Company announced that it had received drill permits for a planned work program on the Corona project claims.

On April 16, 2014 the Company announced initial drilling has intersected mineralized rock at its Corona gold project, located three kilometres northeast of Webbwood, Ont. Initial drilling focused at the historic Shakespeare gold mine, which has operated intermittently since 1905 and produced 2,062 ounces of gold from 8,590 tons of material between 1905 and 1907. The first drill hole was positioned near the Shakespeare workings and intersected intense quartz veining with sulphide stringers that is similar to that described for historic gold mineralization in the underground workings at Shakespeare (Ontario Geological Survey mineral deposits circular 18, 1979, part 2, page 294).

Drill hole C14-01 was collared roughly 45 metres south-southeast of the historic Shakespeare mine shaft and oriented at 310-degree azimuth and minus-45-degree inclination to intersect the down-dip projection of the ore zone, with a total depth of 101 metres. The drill encountered interbedded schist and quartzite with significant intervals of the latter exhibiting intense silicification, sericite/chlorite alteration and dense quartz veining. Sulphides consisting of chalcopyrite, pyrite and pyrrhotite are also present along veins as vein stringers and as disseminations adjacent to the veining. A detailed description of C14-01 will be provided as assays are received, which are expected in the coming weeks.

GeoNovus president and chief executive officer Michael England stated: "These early drilling results at Corona confirm our review of historic data that suggested we would intersect similar alteration in the rocks that host gold mineralization at Shakespeare. Drill core is being prepared for assay to confirm our visual assessment, and the drill rig is being positioned to determine the along-strike and down-dip extent of the mineralization."

Dr. Tom E. McCandless, P. Geo., is the qualified person for this project as defined by NI 43-101.

Results of Operations

The results of operations reflect the overhead costs incurred to provide an administrative infrastructure to manage the acquisition, exploration, and financing activities of the Company. General and administrative costs can be expected to increase or decrease in relation to the changes in activity required as property acquisitions and exploration continue. As at May 31 2014, the Company had not recorded any significant revenues from its mineral exploration and development projects.

Revenues

Due to the Company's status as an exploration and development stage mineral resource company, and a lack of commercial production from its properties, the Company currently does not have significant revenues from its operations.

General and Administrative Expenses

For the three months ended May 31, 2014, the Company had a net loss of $75,329 compared with a net loss of $82,928 for the prior year. The variance of $7,599 is explained by the following significant variances:

- a $3,600 increase in management fees as the CEO took a voluntary reduction in pay in the previous year.
- a $21,014 reduction in office, rent and miscellaneous charges primarily as a result of a reduction in staffing.
- a decrease of $29,125 in professional fees related to a decrease of $6,595 in legal fees and a $26,280 reduction in accounting and audit fees. Legal fees dropped in fiscal 2014 as a result of reduced corporate activity due to limited funds. Accounting fees decreased by $4,500 as a result of a voluntary reduction in pay by the CFO. In addition, fiscal 2013 accounting fees included a $21,780 charge for tax preparation fees and under-accrued audit fees.

- an increase of $5,500 in consulting fees in fiscal 2014 primarily as a result of utilizing consultants for Korean, Asian and German branding and funding opportunities.
- a $9,700 increase in share-based compensation due to the 300,000 stock options the Company granted during the current period.
- a $5,651 increase in transfer agent and filing fees primarily due to the timing of the charges related to the annual meeting. The costs for fiscal 2014 have not yet been incurred.
- The Company recorded a deferred income tax recovery of $2,962 related to the tax impact of the expiry of warrants. No warrants expired in fiscal 2013.

For the nine months ended May 31, 2014, the Company had a net loss of $770,500 compared with a net loss of $1,199,644 for the prior year. The explanations for the decreases of $17,400 in management fees, $43,163 in office, rent and miscellaneous expenses, $69,635 in property investigation costs, $4,662 in transfer agent and filing fees, $29,049 in loss on disposal of investments, the increases of $42,331 in consulting fees, and the decrease of $12,205 in other income are the same as those provided in the variance analysis for the three months ended May 31, 2014 provided above.

The other significant variances for the nine months ended May 31, 2014 occurred in the professional fees, share based compensation and write off of exploration and evaluation expenditures.

Professional fees decreased by $137,388. Legal fees in fiscal 2013 were high predominantly related to legal services associated with potential property acquisitions particularly the Nyakagwe, Tanzania Project. Accounting fees decreased as a result of a voluntary reduction in pay by the CFO and the inclusion of a $21,780 charge in fiscal 2013 for tax preparation fees and under-accrued audit fees.

Share based compensation dropped by $20,231. In the nine months ended May 31, 2104 the Company granted 700,000 options while 975,000 options were granted in the same period in the prior year.

In the nine months ended May 31, 2014, the write off of exploration and evaluation expenditures decreased by $149,523. During the first nine months of fiscal 2014, the Company wrote off $393,382 related to the Red Hills property while $542,905 of property expenditures related to Middle Mountain were written off in the same period in fiscal 2013.

Summary of Quarterly Results

The following table sets out selected quarterly information available within the last eight quarters. The results of the financial quarters have been prepared on a continuity-of-interest basis and are in compliance with IFRS.

Three Months Ended	**May 31, 2014**	**February 28, 2014**	**November 30, 2013**	**August 31, 2013**
	$	$	$	$
Revenue (interest income)	-	-	-	-
Loss	(75,329)	(125,854)	(569,317)	(119,927)
Loss per Common Share	(0.00)	(0.00)	(0.02)	(0.00)
Net (Loss)	(75,329)	(125,854)	(569,317)	(119,927)
Net (Loss) per Common Share	(0.00)	(0.00)	(0.02)	(0.00)
Three Months Ended	**May 31, 2013**	**February 28, 2013**	**November 30, 2012**	**August 31, 2012**
	$	$	$	$
Revenue (interest income)	-	83	553	545
Loss	(82,928)	(855,884)	(260,832)	(572,977)
Loss per Common Share	(0.00)	(0.04)	(0.02)	(0.04)
Net (Loss)	(82,928)	(855,884)	(260,832)	(572,977)
Net (Loss) per Common Share	(0.00)	(0.04)	(0.02)	(0.04)

Liquidity and Capital Resources

The Company's cash position was $904 at May 31, 2014 compared to $17,245 at August 31, 2013. The Company had a working capital deficiency of $172,979 at May 31, 2014 compared with working capital deficiency of $373,920 at August 31, 2013.

During the nine months ended May 31, 2014, the Company utilized cash of $648,110 for operating activities, $13,287 on exploration and evaluation expenditures and $800 for a loan repayment. The Company obtained cash of $560,230 from non-brokered private placements net of issue costs and $5,000 from the exercise of options.

In September 2013, the Company completed a non-brokered private placement with the issuance of 5,150,000 units at a price of $0.05 per unit for gross proceeds of $257,500. Each unit consisted of one common share and one warrant of the Company. Each warrant entitles the holder to purchase one share at an exercise price of $0.075 per share for the first year after closing and $0.10 for the second year following closing.

In December 2013, the Company completed a non-brokered private placement of 4,200,000 flow-through units at a price of $0.05 per unit for aggregate gross proceeds of $210,000. Each unit consisted of one common share and one share purchase warrant of the Company. Each warrant will entitle the holder to purchase one share for a period of 24 months from the closing date at an exercise price of $0.075 per share. Finder's fees of $1,000 were paid and 20,000 broker warrants were issued. The broker warrants are exercisable at $0.10 per share for a period of 24 months.

In February 2014, the Company completed a non-brokered private placement of 2,000,000 units at a price of $0.05 per unit for aggregate gross proceeds of $100,000. Each unit consisted of one common share and one share purchase warrant of the Company. Each warrant will entitle the holder to purchase one share for a period of 24 months from the closing date at an exercise price of $0.075 per share.

During April 2014, the Company completed its non-brokered private placement of 1,574,500 units at a price of $0.05 per unit for gross proceeds of $78,725. Each unit is comprised of one common share and one share purchase warrant of the Company. Each warrant will entitle the holder to purchase one share at a price of $0.075 until April 8, 2016.

The Company will require additional equity to conduct its fiscal 2014 work programs and to fund its administrative expenses.

The Company's commitments are disclosed in the notes to the condensed consolidated interim financial statements. The Company has no long-term debt.

Related Party Transactions

Related parties include the Board of Directors, Executive Officers and any companies owned or controlled by them.

Trading Transactions
The Company entered into the following transactions with related parties:

			Nine months ended	
	Nature of transactions	Notes	May 31, 2014	May 31, 2013
England Communications	Wages, rent and office services	a, b	$ 156,375	$ 210,138
Olga Nikitovic	Professional fees	c	$ 24,500	$ 45,000
Paul Gray Geological	Consulting fees	d	$ -	$ 7,013

a) The Company incurred rent and office expenses of $27,000 (2013 - $27,000) charged by England Communications Ltd. (“ECL”), a company controlled by a director and officer of the Company. The charges are included in office, rent and miscellaneous expense. As at May 31, 2014, $7,048 (August 31, 2013 - $7,048) of rent was included in prepaid expenses and $12,000 (August 31, 2013 - $12,600) was included in accounts payable.

b) The Company pays wages, including employer contributions, directly to ECL, a management company controlled by a director and officer of the Company. During the nine ended May 31, 2014, the Company incurred $129,375 (2013 - $183,138) in salaries of which $36,000 (2013 - $53,400) represents management fees for the CEO and $13,500 (2013 -- $19,200) represents salary for the current Corporate Secretary. These charges are recorded as management fees and office, rent and miscellaneous expense, respectively. The remaining balance of $79,875 (2013 -- $110,538) was included in office, rent and miscellaneous expense. As of May 31, 2014, there was $65,891 (August 31, 2013 - $61,978) owing to this company which was included in accounts payable.

c) The Company incurred $24,500 (2013 - $45,000) charged by the former CFO of the Company. The amount is included in professional fees. As at May 31, 2014, $Nil (2013 - $15,750) was included in accounts payable.

d) The Company incurred $Nil (2013 - $7,013) of consulting fees from a company controlled by a director. $Nil (2013 - $6,788) of the fees is charged to exploration and evaluation expenditures and $Nil (2013 - $225) is included in consulting expense.

During the nine months period ended May 31, 2014, the Company obtained a loan of $13,400 from ECL. The loan was non-interest bearing and is repayable on demand.

In June 2013, the Company obtained a loan of $800 from ECL. The loan was non-interest bearing and was repayable on demand. The loan was repaid on October 9, 2013. On October 20, 2013 the Company obtained a $1,000 loan from England Communications. The loan was repaid in December 2013.

In fiscal 2012, the Company paid for the cost of a media campaign which was to be utilized by four other companies, three of which are related by virtue of two common officers and directors. A receivable of $14,700 has been set up to reflect the portion of the cost to be repaid by Alix Resources Corp., Ashburton Ventures Inc., and Caribou King Resources Ltd.

Compensation of key management personnel

	Notes	Nine months ended May 31, 2014	Nine months ended May 31, 2013
Salaries	a	$ 74,000	$ 117,600
Share-based payments	b	$ 12,651	$ 21,574

a) The Company does not pay any directors' fees nor does the Company pay any health or post employment benefits. The salaries include the fees for the CEO, CFO and Corporate Secretary included in trading transactions above.

b) Share-based payments are the grant date fair value of options granted to key management (CEO, CFO, and Corporate Secretary) and directors.

Off Balance Sheet Arrangements

The Company is not a party to any off balance sheet arrangements or transactions.

Changes in Accounting Policies and Future Accounting Changes

Please refer to Note 4 of the condensed consolidated interim financial statements for a complete description of changes in accounting policies and future accounting changes.

Financial Instruments

The Company is required to disclose information about the fair value of its financial assets and liabilities. Fair value estimates are made at the statement of financial position date, based on relevant market information and information about the financial instrument. These estimates are subjective in nature and involve uncertainties in significant matters of judgment and therefore cannot be determined with precision. Changes in assumptions could significantly affect these estimates.

The carrying amounts of cash, receivables, accounts payable and accrued liabilities and taxes payable on the unaudited condensed consolidated interim statement of financial position approximate fair market value because of the limited term of these instruments.

The Company's risk exposures and the impact on the Company's financial instruments are summarized below:

Credit risk

Credit risk is the risk of loss associated with a counterparty's inability to fulfil its payment obligations. The Company's credit risk is primarily attributable to receivables. The receivables relate to sales tax due from the Federal Government of Canada and amounts due from related parties. The Company has no significant concentration of credit risk arising from operations. Management expects that repayment of the receivable from related parties will occur, however, it does anticipate that the repayment term will be longer than desirable.

Liquidity risk

Liquidity risk is the risk that the Company will not have sufficient cash resources to meet its financial obligations when they come due. The Company generates cash flow through its private placements in the equity markets. All of the Company's financial liabilities have contractual maturities of less than 30 days and are subject to normal trade terms. The Company requires additional equity financing to fund its fiscal 2014 work programs and operating expenditures. Management believes that it will be successful in raising the necessary funds however, given the current market conditions, management believes that the raising of the required funds will take longer than is normal and will be at prices that may be less than desirable. There are no assurances that additional funds will be available on terms acceptable to the Company or at all.

Market risk

(a) Interest rate risk
The Company has cash balances and no interest-bearing debt therefore, interest rate risk is minimal.

b) Foreign currency risk
The Company’s functional and presentation currency is the Canadian dollar. Certain expenditures are transacted in foreign currencies. As a result, the Company is exposed to fluctuations in these foreign currencies relative to the Canadian dollar. Management does not hedge its foreign exchange risk. A 1% change in foreign exchange rates between the Canadian and US dollar at May 31, 2014 would not have a significant impact on the Company’s financial statements.

(c) Commodity and equity price risk
The Company is exposed to price risk with respect to commodity prices and equity prices. Commodity price risk is the potential adverse impact on the Company's earnings and value due to volatility in commodity price movements. Equity price risk is the potential adverse effect on the Company due to

movements in individual equity prices or the stock market in general. The Company closely monitors commodity prices, individual equity movements and the stock market volatility to determine the appropriate course of action to be taken by the Company.

Commodity prices could adversely affect the Company's future profitability. Even though the Company is not currently a producer and is not expected to be for a number of years, commodity prices may affect the completion of future equity financings and therefore, the Company's liquidity and its ability to meet its ongoing obligations.

(d) Sensitivity analysis
Based on management's knowledge and experience of the financial markets, the Company does not expect material movements in the underlying market risk variables over the next three-month period.

Proposed Transactions

The Company does not have any transactions under consideration.

Contingencies

There are no contingent liabilities.

Subsequent Events

There are no significant subsequent events other than those disclosed in the notes to the condensed consolidated interim financial statements.

Management’s Responsibility for Financial Statements

The information provided in this report, including the financial statements, is the responsibility of management. In the preparation of these statements, estimates are sometimes necessary to make a determination of future values for certain assets or liabilities. Management believes such estimates have been based on careful judgements and have been properly reflected in the financial statements.

Risks and Uncertainties

The Company's financial condition, results of operation and business are subject to risks. The following are identified as the main risk factors:

Financing
The Company is reliant upon equity financing in order to continue its operations because it is in the business of mineral exploration and does not derive any income from its mineral assets. There is no guarantee that future sources of funding will be available to the Company. If the Company is not able to raise additional funding in the future, it will be unable to carry out its operations and may lose its interests in its mineral properties.

General Resource Exploration Risks and Competitive Conditions
The resource exploration industry is an inherently risky business with large capital expenditures and volatile commodity markets. The marketability of any resource discovered may be affected by numerous factors that are beyond the Company’s control and which cannot be predicted, such as market fluctuations, costs to develop, infrastructure and processing equipment, and changes to government regulations, including those relating to royalties, allowable production, importing and exporting of minerals, and environmental protection. This industry is intensely competitive and there is no guarantee that, even if commercial quantities are discovered, a profitable market will exist for their sale. The Company competes with other junior exploration companies for the acquisition of mineral properties as well as for the engagement of qualified contractors. Commodity prices can fluctuated widely, and they are determined in markets over which the Company has no influence.

Governmental Regulation
Regulatory standards continue to change, making the review process longer, more complex and therefore more expensive. Exploration and development on the Company's properties is affected by government regulations relating to such matters as environmental protection, health, safety and labour, mining law reform, water use, land use, land claims of local people, restrictions on production, price control, tax increases, maintenance of claims and tenure. There is no assurance that future changes in such regulations couldn't result in additional expenses and capital expenditures, decreasing availability of capital, competition, reserve uncertainty, title risks, and delays in operations. The Company relies on the expertise and commitment of its management team, advisors, and contractors to ensure compliance with current laws.

Permits and Licenses
The operations of the Company are subject to a numerous laws and regulations governing protection of the environment, protection of historic and archaeological sites, waste disposal, protection of endangered species and other matters. The Company is required to have a number of licenses and permits from various governmental authorities to carry out its activities. These permits relate to virtually every aspect of the Company's exploration activities. Obtaining permits can be a complex, time-consuming process. There can be no assurance that the Company will be able to obtain the necessary permits on acceptable terms, in a timely manner or at all. The cost of delays associated with obtaining permits or complying with

The permits could halt, materially delay or restrict the Company from continuing or proceeding with existing or future operations

Disclosure Controls and Procedures

TSX Venture listed companies are not required to provide representations in the annual filings relating to the establishment and maintenance of Disclosure controls and procedures ("DC&P") and Internal controls over financial reporting ("ICFR"), as defined in National Instrument 52-109. In particular, the CEO and CFO certifying officers do not make any representations relating to the establishment and maintenance of (a) controls and other procedures designed to provide reasonable assurance that information required to be disclosed by the issuer in its annual filings, interim filings or other reports filed or submitted under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation, and (b) a process to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with the issuer's IFRS. The issuer's certifying officers are responsible for ensuring that processes are in place to provide them with sufficient knowledge to support the representations they are making in their certificates regarding the absence of misrepresentations and fair disclosure of financial information. Investors should be aware that inherent limitation on the ability of certifying officers of a venture issuer to design and implement on a cost effective basis DC&P and ICFR as defined in National Instrument 52-109 may result in additional risks to the quality, reliability, transparency and timeliness of interim and annual filings and other reports provided under securities legislation.

Other MD&A Requirements

As at the date of this MD&A, the Company had 39,589,402 common shares issued and outstanding.

Stock options of the Company outstanding at the date of this MD&A were as follows:

Options	Exercise Price $	Expiry Date
575,000	0.10	January 10, 2017
250,000	0.10	June 19, 2017
100,000	0.10	October 5, 2017
200,000	0.10	December 27, 2017
175,000	0.10	January 31, 2018
550,000	0.05	September 26, 2018
300,000	0.10	February 11, 2019
700,000	0.05	April 3, 2019
600,000	0.05	June 10, 2015
50,000	0.05	July 8, 2015
450,000	0.05	July 25, 2015
3,950,000		

Warrants of the Company outstanding at the date of this MD&A were as follows:

Warrants	Exercise Price $	Expiry Date
1,200,000	0.075 then 0.10	August 29, 2014 August 29, 2015
5,150,000	0.75 then 0.10	September 23, 2014 September 23, 2015
3,200,000	0.075	December 20, 2015
20,000	0.10	December 20, 2015
1,000,000	0.075	December 30, 2015
2,000,000	0.075	February 6, 2016
1,574,500	0.075	April 8, 2014
14,144,500		

GEONOVUS MINERALS CORP.

CORPORATE DATA

July 29, 2014

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CAPITALIZATION

Authorized:	Unlimited
Issued:	39,589,402
Escrow:	Nil

LISTINGS

TSX Venture Exchange
Trading Symbol: GNM